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September 16, 2005

To: Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

**WASHINGTON, D.C. UPDATE**

**Department of Commerce/Justice/Science Appropriations Bill**

On September 15, 2005, the Senate passed its FFY 2006 Commerce/Justice/Science (CJS) Appropriations bill (H.R. 2862). Before passing the bill, the Senate approved an amendment to increase Justice Assistance Grant (JAG) funding by \$275 million. As a result, the Senate bill would fund JAG at \$810 million in FFY 2006, which is significantly higher than the House funding level of \$271 million. The Senate also approved an amendment to establish a \$3.5 billion emergency rental housing assistance program to assist families displaced by Hurricane Katrina.

The Senate bill would fund the State Criminal Alien Assistance Program (SCAAP) at \$170 million, which is significantly less than the \$405 million provided in the House-passed bill. On September 15, 2005 Senators Feinstein joined six other Senators from Western states in sending a letter to key Senate appropriators, urging that the SCAAP be funded, at minimum, at the House funding level of \$405 million. Attachment I contains a chart comparing funding levels for programs of County interest in the Senate and House-passed appropriations bills.

### **TANF Emergency Response and Recovery Act of 2005**

On September 15, 2005, the Senate passed H.R. 3672, the "TANF Emergency Response and Recovery Act of 2005" without making any changes to the version passed by the House on September 8, 2005. The bill now goes to the President for his signature. Of County interest, the bill includes provisions to:

- Extend the Temporary Assistance for Needy Families (TANF) program through December 31, 2005. TANF, otherwise, would expire on September 30, 2005;
- Allow a state to use the \$2 billion TANF Contingency Fund through August 31, 2006 to provide short-term cash benefits to families who relocated from another state, which has a Hurricane Katrina disaster area. There would not be any state match required for such benefits; and
- Exempt Hurricane Katrina victims from TANF work requirements and time limits through the end of Federal Fiscal Year (FFY) 2006.

Before H.R. 2672 passed the Senate on unanimous consent, Senator Landrieu (D-LA) entered into a colloquy with Senate Finance Committee Chairman Grassley (R-IA) in which she voiced concern that the bill did not adequately address the needs of Katrina disaster victims in her state. Senator Grassley replied that her concerns would be addressed later in a conference committee with the House on the bipartisan emergency health and welfare relief package that Senators Grassley and Baucus (D-MT), the Ranking Minority Member, announced earlier in the week. Of interest to the County, the package would establish a temporary Disaster Relief Medicaid (DRM) program under which displaced victims could receive fully Federal-funded medical and mental health care in any state to which they have relocated. The program, which has streamlined eligibility and enrollment procedures, would be available for at least five months. Attachment II is a Senate Finance Committee summary of the package.

### **Congressional Hearing on Lessons Learned from Hurricane Katrina**

Congress has begun to examine what went wrong with the response to the Hurricane Katrina disaster and how emergency preparedness and response can be improved in the future. On September 15, 2005, the House Government Reform Committee held an oversight hearing to look at the lessons learned from Katrina and at the emergency planning in other communities that potentially face similar major catastrophic events. At the request of the Committee, Constance Perett, who heads the County's Office of Emergency Management, testified along with emergency managers with Los Angeles City, Miami-Dade and Broward Counties in Florida, and Washington, D.C.

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The tenor of the hearing was often contentious and partisan, particularly during the opening remarks by Members of Congress, which lasted nearly two hours. Democrats complained that Administration officials had not been asked to testify, and also urged that an independent commission be formed to investigate Hurricane Katrina response and recovery efforts.

We will continue to keep you advised.

DEJ:GK  
MAL:MT:ss

#### Attachments

c:     Executive Officer, Board of Supervisors  
        County Counsel  
        All Department Heads  
        Legislative Strategist

**FEDERAL FISCAL YEAR (FFY) 2006 FUNDING LEVELS  
FOR DEPARTMENTS OF JUSTICE AND COMMERCE  
(in millions)**

<b>PROGRAMS</b>	<b>Enacted 2005</b>	<b>President 2006</b>	<b>House<sup>1</sup> 2006</b>	<b>Senate<sup>2</sup> 2006</b>
State Criminal Alien Assistance Program	\$ 301	\$ 0	\$405	\$170
Justice Assistance Grant <sup>3</sup>	529	0	271	810
COPS Interoperable Communications	99	2	0	38
COPS Hiring Grants	10	0	0	2
COPS Technologies Grants <sup>4</sup>	137	0	120	137
DNA Initiative	109	176	177	90
Juvenile Justice Formula Grant	83	90	83	82
Juvenile Accountability Block Grant	54	0	60	49
Southwest Border Prosecutor Program	30	47	30	30
Strengthening America's Communities Initiative	0	3,710	0	0
Economic Development Assistance	254	0	201	284

**Footnote**

- <sup>1</sup> In H.R. 2862, the FFY 2006 Science/State/Justice/Commerce Appropriations Bill, as passed by the House on June 16, 2005.
- <sup>2</sup> In H.R. 2862, the FFY 2006 Commerce/Justice/Science Appropriations Bill, as passed by the Senate on September 15, 2005.
- <sup>3</sup> The funding levels are for formula Justice Assistance Grants only.
- <sup>4</sup> The President's request and House bill include interoperable communications.

## **Grassley-Baucus Emergency Health Care Relief Package Summary**

**Immediate Access to Medicaid for Displaced Individuals:** Displaced victims need immediate access to medical care, and Medicaid, which exists in all 50 states, is there to provide it. To ensure the fastest possible coverage, normal documentation and eligibility requirements would be waived and other application requirements streamlined and simplified. Katrina survivors with incomes below federal poverty level (and twice that level for pregnant women and children) would be eligible for Disaster Relief Medicaid, a temporary program available for 5 months, with a possible 5 month extension by the Secretary. To respond to the intense need for mental health and home and community based services among survivors, current state limits on these benefits would be waived and an extended package of mental health services would be available. To ensure continuity of care for vulnerable survivors, states would have to provide survivors with notice and assistance with Medicaid enrollment once their period of Disaster Relief Medicaid ends and pregnant women would continue eligibility until 60 days after giving birth.

- **Federal Support for Affected States' Medicaid Programs:** States affected by Hurricane Katrina (Louisiana, Mississippi and Alabama) are suffering significant financial losses, affecting their ability to fund critical services for their citizens. The federal government must ensure states can continue to provide Medicaid and SCHIP benefits to low-income individuals. Affected states and areas should get 100 percent federal match during this crisis to sustain Medicaid and CHIP programs. Full federal funding would continue through December 31, 2006. Federal funding for state Medicaid programs scheduled to drop in 2006 will be postponed for the fiscal year to ensure that states struggling to meet the new demand for services do not lose funds at this critical time.
- **Compensation to Affected Health Providers:** Health providers caring for evacuees should receive federal add-on payments to alleviate the burden of uncompensated care.
- **Private Coverage Assistance:** Some survivors may have private job-based coverage that will continue during this emergency period. Individuals who want to continue their job-based coverage will be eligible for assistance with premiums under a new Disaster Relief Fund, to be administered by state insurance commissioners. Technical changes will also be made to ensure that individuals who would have otherwise been eligible for continuation coverage under COBRA or portable coverage under HIPAA have those protections despite this emergency.
- **Assistance for Medicare Beneficiaries:** Hurricane Katrina has displaced hundreds of thousands of people with Medicare who will need special help as a result. First, the Medicare Part B late enrollment penalty would be temporarily suspended so that Katrina survivors are not unfairly penalized. Second, Medicare-eligible Katrina survivors who are also eligible for Medicaid are due to transition to the new Medicare prescription drug benefit on January 1, 2006. The Secretary of HHS will be required to submit to Congress by October 7 a written plan detailing how these survivors will be informed of and transitioned to the new drug benefit program.

- **Make Temporary Assistance for Needy Families (TANF) Contingency Fund and other funds Accessible for Affected States** – Provide Alabama, Louisiana and Mississippi immediate access to the TANF Contingency Fund, which currently has \$2 billion for states impacted by financial crises. Allow states providing services to evacuees to draw down from the Contingency Fund. Provide additional financial relief to Alabama, Louisiana and Mississippi. Ease the work and time limit rules in TANF to ensure families in crisis have access to assistance immediately. *(tbd, pending resolution of House-passed TANF package)*
- **Ensure that families who require benefits and services as a result of Hurricane Katrina should not lose access to future assistance.** Families who have had their lives disrupted by this disaster and who are unable to find work because of compromised economic state infrastructures and a lack of support services should not have their ability to secure assistance in the future compromised.
- **Emergency Unemployment Compensation Extension:** provides an immediate extension of unemployment benefits for 13 weeks for individuals in Alabama, Louisiana, and Mississippi who have exhausted their unemployment benefits. These benefits will be fully paid for by the Federal Unemployment Trust Fund.
- **Ensure hospitals in the disaster areas are not penalized for failure to submit quality data.** Section 501 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 provided acute-care hospitals a full inflationary update if they submitted data of 10 measures of quality care. Failure to submit this would result in a reduced update of market basket less 0.4 percentage points. This provision would permit the Secretary to waive quality reporting requirements for hospitals in disaster areas under Section 1135.
- **Fully reimburse hospitals for Medicare bad debt.** Currently, Medicare reimburses hospitals 70 percent of the cost of co-payments and deductibles that are left unpaid by Medicare beneficiaries. This amount should be increase to 100 percent of allowable costs for all hospitals in public health emergency states as well as for those hospitals outside the disaster area who treat evacuees.